

The Michigan Legislature

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Detroit Delegation Hammers GOP Effort to Privatize Social Security

LANSING – Members of the Detroit delegation hammered GOP efforts to privatize Social Security today calling it a “risky scheme” that could threaten America’s retirement security and cost Michigan’s economy billions. Detroit state Senators Hansen Clarke, Martha G. Scott, and Irma Clark-Coleman called upon Congress to stand up for Michigan families and to reject any effort to privatize Social Security.

In a concurrent resolution that will be introduced this week, House and Senate Democrats are asking for bipartisan support for a concurrent resolution that calls on Congress and President Bush not to privatize Social Security.

“The Bush administration’s reckless privatization scheme threatens to not just undermine America’s retirement security,” said Sen. Scott. “It threatens to shake the very financial stability of the state of Michigan.”

In Michigan alone there are nearly 1.7 million people who receive benefits exceeding \$18 billion annually- that’s \$1.5 billion per month being added to our state’s economy. The Bush administration’s Social Security privatization scheme would slash future benefits by as much as 46%, resulting in the average Michigan retiree losing approximately \$443 per month. That would also mean that the 360,000

Michigan seniors who rely on Social Security as their only source of income would fall, on average, \$2,400 below the poverty line and further strain state resources.

“The Bush administration’s proposed benefits cuts would cost our state’s economy approximately \$8.3 billion just in lost payments to retirees,” said Sen. Clark-Coleman. “Small businesses would suffer, retirees would suffer, and our state’s economy would stagnate.”

The non-partisan Congressional Budget Office reports that the Social Security Trust Fund is fully funded until 2052- or for another 47 years. After that, the program will still continue to pay at least 80 percent of benefits. But the Bush administration has been trying to frighten Americans into supporting its risky plan with claims that the program is going “bankrupt.”

“Despite the President’s misleading statements to the contrary, Social Security is fully funded for many decades to come,” said Sen. Clarke. “As America’s most successful domestic program, Social Security is just too important to be gambled away on another one of President Bush’s ill-fated ventures.”

Michigan Senate and House Democrats are encouraging federal authorities to develop alternative funding that will make up for any long-term shortfall while not placing an undue burden on those who have already paid into the retirement system or threaten the benefits of future generations.

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